

## Message Text

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ACTION STR-04

INFO OCT-01 STRE-00 ISO-00 AF-08 ARA-06 EA-07 EUR-12  
NEA-10 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00  
EB-07 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00  
NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00  
USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 IO-13 /132 W  
----- 014230 /42

R 151631Z DEC 76  
FM USDEL MTN GENEVA  
TO SECSTATE WASHDC 2133  
INFO ALL OECD CAPS 127  
AMEMBASSY BELGRADE  
AMEMBASSY BOGOTA  
AMEMBASSY BRASILIA  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
AMEMBASSY CARACAS  
AMEMBASSY ISLAMABAD  
AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LAGOS  
AMEMBASSY MANILA  
AMEMBASSY MEXICO  
AMEMBASSY NAIROBI  
AMEMBASSY NEW DELHI  
AMEMBASSY SEOUL  
AMEMBASSY TEL AVIV  
USMISSION USUN

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 9961

ACTION STR, PASS AMBASSADORS YEUTTER AND WALKER

H PASS CODEL

E.O. 11652: NA  
TAGS: ETRD, GATT, MTN  
SUBJ: MTN FRAMEOWRK IMPROVEMENT GROUP MEETING, DEC 14, 1976

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REF: A. MTN GENEVA 8819, B. MTN GENEVA 8858, C. STATE 287029

(NOTAL, D. STATE 293868, E. MTN GENEVA 9418, F. MTN GENEVA 9138  
(NOTAL)

1. SUMMARY NEW MTN FRAMEWORK IMPROVEMENT GROUP MET BRIEFLY FOR PEACEFUL ORGANIZATIONAL SESSION DEC 14. CONSTRUCTIVE AND LOW-KEY APPROACH OF MOST DELS IN DISCUSSING CHAIRMANSHIP, DOCUMENTATION, FREQUENCY OF MEETINGS, FOCUS AND DATE OF NEXT MEETING (AND EVEN NAME OF GROUP) AVOIDED RESTATEMENT BY ANY DEL OF SUBSTANTIVE RESERVATIONS HEARD AT NOV 5 TNC MEETING. INFORMAL CONTACTS PRECEDING MEETING ITSELF SUGGESTED ONLY BRAZIL ACTIVELY PREPARING PROPOSALS, BUT ALSO REVEALED SURPRISINGLY POSITIVE JAPANESE ATTITUDE ON BOP TOPIC. NEXT MEETING OF GROUP SCHEDULED FOR WEEK OF FEBRUARY 21, 1977, TO BEGIN SUBSTANTIVE DISCUSSIONS. END SUMMARY.

2. INITIAL ORGANIZATIONAL MEETING HELD DEC 14 OF NEW MTN FRAMEWORK IMPROVEMENT GROUP, FORMALLY CALLED "GROUP ESTABLISHED IN ACCORDANCE WITH PARA 9 OF THE TOKYO DECLARATION." GATT DG LONG OPENED MEETING BY RECALLING HIS CHAIRMAN'S NOTE ON NOV 5 TNC SESSION (REF B), AND GROUP THEN PROCEEDED THROUGH SERIES OF ORGANIZATIONAL MATTERS IN REASONABLY BUSINESS-LIKE FASHION:

(A) CHAIRMANSHIP. GROUP ACCEPTED DG'S ANNOUNCEMENT THAT CONSULTATIONS PROCEEDING AMONG DELS ON THIS QUESTION AND THAT HE WOULD MEANWHILE SERVE AS INTERIM CHAIRMAN. (THIS FORMULATION NECESSITATED BY PREVIOUS DAY'S INFORMAL 7-PLUS-7 MEETING WHERE EMERGING DC-LDC CONSENSUS ON DEGEER OF SWEDEN SUDDENLY TORPEDOED BY AMB MARTINEZ OF ARGENTINA WHO SURPRISED ALL DELS WITH STRONG PITCH FOR UNSPECIFIED LDC CHAIRMAN FOR NEW GROUP. WE ARE TOLD HIS OBJECTIVE, WHICH NOW SEEMS LIKELY TO OCCUR, IS TO HAVE SECRETARIAT CHAIR GROUP, I.E., AVOID DC CHAIRMAN).

(B) NAME OF GROUP. IN RESPONSE TO BANGLADESH SUGGESTION THAT GROUP BE FORMALLY DESIGNATED "FRAMEWORK IMPROVEMENT GROUP," MOST DELS NOTED THEY ALREADY CALL IT THAT ANYWAY AND NAME MUCH LESS IMPORTANT THAN WHAT GROUP DOES. (THIS EPISODE REFLECTED BANGLADESH ABSENCE LIMITED OFFICIAL USE

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FROM PREPARATORY DISCUSSIONS IN WHICH OTHER DELS WILLING TO HUMOR ECCENTRIC EC (FRENCH) INSISTENCE ON A "NEUTRAL" TITLE FOR THE GROUP).

(C) FREQUENCY OF MEETINGS. ARGENTINA URGED ADOPTION OF TIMETABLE WHICH WOULD SCHEDULE FREQUENT PLENARY MEETINGS THROUGHOUT 1977, IN ORDER TO ENSURE RESULTS BY COMPLETION OF MTN IN 1977. BANGLADESH,

EGYPT, COLOMBIA, AND URUGUAY SUPPORTED THIS POINT, BUT CANADA AND OTHER DELS, AS WELL AS BRAZIL, ARGUED THAT MEETINGS SHOULD BE SET IN ACCORDANCE WITH PROSPECTS FOR USEFUL WORK, NOT ON ARBITRARY BASIS. BRAZIL (MACIEL) NOTED THAT "FOR EVERY HOUR OF USEFUL DISCUSSION IN THE GROUP, SOME TEN HOURS OF HOMEWORK WILL BE REQUIRED", AND THAT THE GROUP SHOULD EXPECT TO MEET "AS FREQUENTLY AS NECESSARY." GREY OF CANADA, WITH CHARACTERISTIC BLUNTNESS, PRESENTED OPENLY FOR FIRST TIME HIS PRIVATE VIEW (MTN GENEVA 9803, NOTAL) THAT 1977 COMPLETION DATE FOR MTN ITSELF WAS UNREALISTIC -- EXCEPT ON SMALL PACKAGE BASIS, WHICH CANADA OPPOSES -- AND THUS GROUP SHOULDN'T ADOPT A TIMETABLE WITH A DISCREDITED DEADLINE.

(D) DOCUMENTATION. ROMANIAN PROPOSAL THAT GATT SECRETARIAT "PREPARE NOTES" ON EACH OF FIVE ITEMS IN GROUP'S WORK PROGRAM, "IN ORDER TO FACILITATE SOLUTIONS," GARNERED SOME LDC SUPPORT BUT PRODUCED NUMEROUS OBJECTIONS, MOSTLY FROM DC DELS. CANADA STRESSED THAT IMMEDIATE NEED IS FOR EXTENSIVE WORK IN CAPITALS, AND THAT SECRETARIAT NOTES COULD COME LATER BUT WOULD BE UNHELPFUL AT PRESENT TIME. U.S. (HARTZELL) AGREED WITH CANADA AND NOTED PLETHORA OF EXISTING DOCUMENTATION ON ALL TOPICS. ARGENTINA, SUPPORTED BY EC, PROPOSED PREPARATION OF A "REFERENCE INDEX" OF RELEVANT DOCUMENTS FOR GUIDANCE OF DELS. CANADA AGAIN OBJECTED, ALLUDING TO LACK OF FULL AGREEMENT ON ALL WORK ITEMS, AND WARNED THAT SECRETARIAT "SHOULD NOT RUSH IN WHERE SOME OF US FEAR TO TREAD." GREY SUGGESTED INSTEAD THAT SECRETARIAT UP-DATE ITS EXISTING "ANALYTICAL INDEX" (BACKGROUND NOTES ON "DRAFTING, INTERPRETATION, AND APPLICATION OF THE GATT," LAST REVISED IN 1970). BRAZIL SAID GROUP SHOULD START WITH PROPOSALS BY GOVERNMENTS, AND THAT WORK ON DOCUMENTATION SHOULD FOR TIME BEING BE LIMITED OFFICIAL USE

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LIMITED TO COMPILATION OF EXISTING SECRETARIAT PAPERS. DG RESPONDED THAT SECRETARIAT QUITE WILLING TO UP-DATE ANALYTICAL INDEX, BUT WANTED TO CONSIDER FEASIBILITY OF REQUEST TO CATALOGUE EXISTING PAPERS. HE REMINDED LDC DELS OF AVAILABILITY OF THIS KIND OF HELP VIA SPECIAL ASSISTANCE UNIT OF GATT SECRETARIAT'S DEVELOPMENT DIVISION. COMMENT: SECRETARIAT SENSITIVE TO MANY PITFALLS IN CATALOGUE PROPOSAL INCLUDING RESURRECTING DEAD OR DISCREDITED PROPOSALS, PROVOKING ONE OR MORE DELS ON LEGITIMACY OF WORK TOPICS, AND RISK THAT INORDINATE TIME AND STAFF RESOURCES WOULD BE REQUIRED WITH NO USEFUL CONTRIBUTION TO WORK OF GROUP.

(E) FUTURE WORK. IN VIEW OF KNOWN CONTINUING RESERVATIONS BY SEVERAL DELS ON MEANING AND CONTENT OF

SUBSTANTIVE WORK PROGRAM OUTLINED AT NOV 5 TNC  
(REF A), DISCUSSION SKIRTED SUBSTANCE AND METHOD OF  
FUTURE WORK AND CONVERGED ON SIMPLE VIEW THAT AT NEXT  
MEETING, SUBSTANCE WOULD COME UP. (RESOLVE OF DELS TO  
AVOID PROVOKING EACH OTHER INTO REPLAY OF TNC DEBATE WAS  
STIFFENED BY MARTINEZ' PERFORMANCE IN THE  
PREVIOUS DAY'S 7-PLUS-7, WHERE HE INSISTED (WITHOUT  
SUPPORT) THAT GROUP WOULD HAVE TO DEBATE WORK PROGRAM  
IMMEDIATELY IN ORDER TO DECIDE HOW TO PROCEED AT ITS  
SECOND MEETING.) FORMULATION FINALLY ADOPTED, REFLECTING  
U.S. MODIFICATIONS TO AN EC (LUYTEN) PROPOSAL AGAINST  
THE BACKDROP OF SUGGESTIONS BY JAPAN AND BRAZIL,  
PROVIDES THAT "MEMBERS OF THE GROUP WOULD ADDRESS THEM-  
SELVES TO SUBSTANTIVE QUESTIONS WHICH THE GROUP IS  
CALLED UPON TO DEAL WITH IN THE CONTEXT OF ITS WORK."

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USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 IO-13 /132 W  
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R 151631Z DEC 76  
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AMEMBASSY BELGRADE  
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ACTION STR, PASS AMBASSADORS YEUTTER AND WALKER

H PASS CODEL

COMMENT: THIS LANGUAGE DOES NOT PRECLUDE EC OR CANADIAN/AUSTRALIAN  
EFFORT TO BLOCK ONE OR MORE ITEMS AT NEXT MEETING, BUT  
MAKES IT MORE DIFFICULT. INFORMAL CONTACTS WITH CANADIAN  
AND EC MEMBER STATE DELS INDICATE INCREASING ACCEPTANCE  
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OF PROSPECT THAT ALL FIVE TOPICS WILL BE DISCUSSED,  
LEAVING THOSE DELEGATIONS OPTIONS OF SILENCE OR OBNOXIOUSNESS.

(F) NEXT MEETING. GROUP AGREED TO MEET AGAIN UNDER  
ABOVE FORMULATION ON SUBSTANCE, DURING WEEK OF  
FEBRUARY 21, 1977.

3. WHILE DISCUSSION OF SUBSTANTIVE ISSUES BEFORE GROUP WAS  
STUDIOUSLY AVOIDED IN FORMAL MEETING, MTN DEL WAS ABLE  
TO TAKE A FEW USEFUL SOUNDINGS ON KEY TOPICS DURING  
BILATERAL DISCUSSIONS WITH BRAZIL, JAPAN, MEXICO, AND  
CANADA PRIOR TO DECEMBER 14 SESSION. REGARDING  
S&D/RECIPROCITY/GRADUATION NEXUS, BRAZIL (BARTHEL-ROSA)  
TOLD US IT WOULD SEEK TO AVOID EARLY HARDENING  
OF LDC POSITIONS; ITS PROPOSALS, TO BE DISCUSSED WITH DELS  
INFORMALLY AND TABLED BEFORE OR AT NEXT MEETING, WOULD  
SUGGEST "NORMS" AND CONCEPTS WHICH WOULD NOT PREJUDICE  
FORM OF AGREEMENT (E.G., CODE, PROTOCOL, NOTE, AMENDMENT)  
NOR ADDRESS SPECIFIC GATT ARTICLES (YET). JAPAN (UKAWA) -- WHICH  
SILENT DURING GROUP MEETING -- EXPRESSED PRIVATE CONCERN THAT EC  
WILL CONTINUE TO ATTEMPT TO UPSET BALANCE OF WORK BY CONFINING  
FRAMEWORK GROUP DISCUSSION TO ONLY NORTH/SOUTH TOPICS.  
UKAWA VOICED UNEASINESS ON DC INABILITY SO FAR TO  
ARTICULATE PRACTICAL APPROACH TO GRADUATION ISSUE AS PART  
OF ANY "LEGALIZED" BASIS FOR S&D. PERHAPS MOST STARTLING  
DEVELOPMENT WAS JAPANESE COMMENT ON BOP MEASURES: UKAWA  
SAID HE WAS "IMPRESSED" WITH LATEST U.S. PROPOSALS ON BOP  
TABLED IN G-18 AND FELT THAT THE "GOOD WORK" DONE IN G-18  
ON BOP "OUGHT TO BE PURSUED, NOT LOST." UKAWA ADDED THAT  
HE NOW THOUGHT JAPAN MIGHT FORESEE NEGOTIATING CHANGES IN  
GATT BOP PROVISIONS, "PROVIDED THIS DOESN'T OPEN A  
PANDORA'S BOX." COMMENT: UKAWA'S STATEMENT MADE TO TWO  
MTN DEL OFFICERS AND TWO WASHINGTON VISITORS AND WE HAVE

NO DOUBT THAT WE ARE REPORTING ACCURATELY. CONCEIVABLY,  
IT SIGNIFIES THAT EARLIER JAPANESE CONCERN THAT U.S. SOUGHT  
TO MAKE BOP MEASURES EASIER HAS NOW BEEN DISPELLED.  
CULBERT

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 15 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** saccheem  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Disposition Remarks:**  
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**From:** MTN GENEVA  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION STR  
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**Original Previous Classification:** n/a  
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**Review Authority:** saccheem  
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**TAGS:** ETRD, GATT, MTN  
**To:** SECSTATE WASHDC ALL OECD CAPS 127 BELGRADE BOGOTA BRASILIA BUENOS AIRES CAIRO CARACAS  
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